

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL FROM ORDER No 203 of 1999

with

Civil Application No. 4743 of 1999

and

Civil Application No. 7428 of 1999

For Approval and Signature:

Hon'ble MR.JUSTICE A.M.KAPADIA

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1. Whether Reporters of Local Papers may be allowed : YES
to see the judgements?

2. To be referred to the Reporter or not? : YES

3. Whether Their Lordships wish to see the fair copy : NO
of the judgement?

4. Whether this case involves a substantial question : NO
of law as to the interpretation of the Constitution
of India, 1950 of any Order made thereunder?

5. Whether it is to be circulated to the Civil Judge? : NO
1-2 yes - 3 to 5 No

CADBURY INDIA LIMITED

Versus

SM DYECHEM LIMITED

Appearance:

Mr. Mihir Thakore, senior advocate with Mrs. S.M.
Thakore, advocate for appellant.
Mr. S.B. Vakil with Mr. A.S. Vakil and Mr. D.C.
Dave, advocates for respondent.

CORAM : MR.JUSTICE A.M.KAPADIA

Date of decision: 24/08/1999

C.A.V. JUDGEMENT

1. Appellant, Cadbury India Limited, having lost the
legal battle against respondent SM Dyechem Limited in the
lower Court, has knocked the doors of this Court by

filling this Appeal from Order with the aids of the provisions of Order 43 Rule 1 of the Civil Procedure Code ('the Code' for short), whereunder it challenged the order dated 23.3.1999 recorded below Ex.6 - Notice of Motion - in Civil Suit No. 852 of 1999, by learned Chamber Judge, City Civil Court, Ahmedabad, whereby he granted injunction against the appellant in terms of para 21(A) & (B) of the application restraining the appellant from infringing the respondent's trade mark "PIKNIK" which is registered under the provisions of Trade and Merchandise Marks Act, 1958 ('the Act' for short hereinafter) vide trade mark No. 505532 and to pass off the appellant's goods i.e., chocolate, chocolate preparations, wafer biscuits and/or the like goods as and for that of respondents, till the disposal of the suit.

2. Present appellant is the original defendant whereas present respondent is the original plaintiff and hence for the sake of convenience and brevity, the parties are hereinafter referred to as 'the plaintiff' and 'the defendant' respectively.

3. Before highlighting the nature of controversy posed for determination of this Court in this Appeal from Order, it is necessary to advert to a few but relevant facts of the case.

4. In nutshell the plaintiff's case is as under:

4.1. Plaintiff, SM Dyechem Limited, is a Public Limited Company incorporated under the provisions of the Companies Act and is carrying on their business of manufacturing and marketing of chemicals and chemical products and food products, including ready to eat snacks, such as potato crisps, potato chips, potato wafers, corn puffs, preparations made from rice and rice flour, preparations made from cereal, etc.

4.2. Defendant, Cadbury India Limited, is also a Public Limited Company incorporated under the provisions of the Companies Act and is carrying on business of manufacturing and selling chocolate preparations/wafer biscuits, snacks, etc.

4.3. In 1988, the plaintiff started business in the field of processing of food products, more particularly known as ready to eat snacks as mentioned hereinabove in their food division known as "SM Foods". In 1989, the plaintiff's said division developed and adopted a trade mark, in the name and style of "PIKNIK", in relation to ready to eat snacks processed by them.

4.4. After adoption of the said trade mark "PIKNIK", the plaintiff commenced use of the said trade mark in relation to ready to eat snacks processed by them and marketed the goods in the name and style of "PIKNIK".

4.5. The plaintiff is the lawful proprietor of the said trade mark since February 1989 and, therefore, on 17.2.1989 the Food Division of the plaintiff applied for registration of a label mark, containing the word "PIKNIK", under the Act, in class 29 in respect of preserved, dried and cooked fruits and vegetables, etc. under application No. 505531B. The plaintiff also applied for registration of the said trade mark in class 30 in respect of tea, coffee, etc. under application No.505532. The plaintiff also applied for registration of the said trade mark in class 32 in respect of beverages, beers, mineral and aerated waters, soda water, etc. under application No.505533.

4.6. The aforesaid three applications were processed and pursuant to the orders passed by the Registrar of Trade Marks, the plaintiff became the registered proprietor of said trade mark "PIKNIK" under Nos.505531B, 505532 and 505533 in Classes 29, 30 and 32 respectively. Since the plaintiff became the proprietor of the said trade mark, they are entitled to use exclusively the said trade mark in relation to the aforesaid goods and the plaintiff has a right to restrain others from using the same and/or similar trade mark.

4.7. It was further case of the plaintiff that since 1989, on an extensive and ever growing scale, the plaintiff has been expanding from time to time its range of ready to eat snacks and has been selling their goods bearing the said trade mark throughout the country with the help of wide network of stockists and dealers.

4.8. By virtue of intensive and extensive sales promotional efforts, adequately supplemented by widespread publicity all over the country, coupled with high standard of quality and controls adhered to by the plaintiff, the plaintiff's said goods have become very popular and acquired tremendous reputation and goodwill all over the country and the said goods became distinctive with the plaintiff and is exclusively identified by the trade and public with the plaintiff.

4.9. In sum and substance, the plaintiff's case is that they have painstakingly built up formidable reputation and goodwill in respect of the said trade mark

"PIKNIK" and the enormous reputation and goodwill is reflected from the fact that the plaintiff's sale of said goods have been growing by leaps and bounds year after year.

4.10. The plaintiff's attention was drawn on a food product, being a chocolate preparation/wafer biscuits snacks marketed under the trade mark "PICNIC" purported to be manufactured by the defendant. As the trade mark used in respect of the goods being an eatable and was similar to the plaintiff's trade mark, which was also used for eatables, and the same was violating the rights of the plaintiff in respect of the said trade mark "PIKNIK", the plaintiff, through their trade mark attorney, caused a letter dated 16.3.1998, to be addressed to the defendant, recording some of the abovesaid facts and calling upon the defendant to cease and desist from the use of the trade mark "PICNIC" in relation to the impugned goods forthwith. The plaintiff also informed that the plaintiff is the registered proprietor of the said trade mark "PIKNIK" in relation to chocolate, biscuits and other foods products and, therefore, the use of the trade mark "PICNIC" by the defendant in respect of their chocolates, etc., was infringing the rights of the plaintiff in respect of the said trade mark "PIKNIK". The plaintiff also called upon the defendant to pay Rs.3 crores towards the damages in addition to the notice charges.

4.11. It was further case of the plaintiff that though the aforesaid letter was received by the defendant they failed to give any considered reply and as a matter of fact the defendant had conclusively failed to assign any cogent and justifiable reason for using the impugned trade mark "PICNIC".

4.12. In spite of the plaintiff calling upon the defendant to discontinue the use of the impugned trade mark, the defendant has continued to use the same and the defendant has failed and neglected to comply with the requisitions contained in the letter dated 16.3.1998 issued by the plaintiff's trade mark attorney and they have continued to openly advertise and sell the impugned goods under the plaintiff's trade mark.

4.13. According to the plaintiff, notwithstanding the above facts and with full knowledge that the plaintiff's range of food products or ready to eat snacks or eatables are sold under the trade mark "PIKNIK", the defendant, with fraudulent and dishonest intention of encashing and trading upon the plaintiff's goodwill and reputation,

adopted and introduced chocolate preparations or wafers, biscuits, also being food products or ready to eat snacks or eatables under the same trade mark "PICNIC" knowing fully well about the fact that the word PIKNIK irrespective of manners in which it is either spelled or pronounced, the public is likely to be confused and/or deceived as to the origin of the impugned goods and public interest being of considerable importance, should not be allowed to be jeopardized and, therefore, the defendant should not be allowed to encash the reputation and goodwill of the plaintiff, by using the trade mark "PICNIC". It was further alleged that by using the trade mark "PICNIC", the defendant is violating the plaintiff's exclusive right in respect of said registered trade mark "PIKNIK". Hence, the suit was filed for perpetual injunction to restrain the defendant from in any manner using the trademark "PICNIC" in relation to chocolates, chocolate preparation, etc., or any other trade mark which is deceptively or confusingly similar in the manner whatsoever to the plaintiff's trademark "PIKNIK" so as to infringe the plaintiff's trade mark "PIKNIK" registered under No. 505532.

4.14. Along with the suit, application Ex.6, notice of motion, was also taken out by the plaintiff, wherein, inter alia, it was prayed for temporary injunction restraining the defendant from in any manner using the trade mark "PICNIC" or any other trade mark which is deceptively and confusingly similar in any manner whatsoever to the plaintiff's trade mark "PIKNIK" so as to infringe plaintiff's trade mark registered under No. 505532, in relation to chocolates, chocolate preparations, etc., and has also prayed for restraining the defendant from passing off the goods as and for that of the plaintiff.

4.15. The defendant hotly contested the application notice of motion- by filing reply at Ex.14, inter alia, contending that the plaintiff is not entitled to any relief on the ground of delay as the 'CADBURY'S PICNIC' was introduced in the market in February 1998. It was further case of the defendant that the trade mark "PICNIC" of the defendant was registered in the year 1977. It was contended that the trademark "PICNIC" of the defendant was registered by them earlier under No.329970 in Class 30 of the 4th Schedule to the Act. It was further averred that the defendant has filed a subsequent application for registration of the mark CADBURY PICNIC in August, 1996 under application No.712676. It was contended that the defendant's trade mark "CADBURY'S PICNIC" was considered by the Registrar

who in any case had directed that the registration of the Trade Mark shall give no right to the exclusive use of the word "PICNIC", it being a common dictionary word. It was alleged that the plaintiff has obtained registration of a label mark containing the words PIK-NIK knowing fully well that they would never have been able to register the mark PIK-NIK or any imitation or a misspelling thereof as it is considered to be not distinctive. It was further contended that the word CADBURY PICNIC and/or "PICNIC" and/or label consisting of the word PICNIC is registered by the defendant's parent company in all over 110 countries all over the world and the application for the same or similar marks are pending in many other countries. It was further averred that by virtue of the existence of the registration world over and use of the mark PICNIC, the defendant's parent company has transborder reputation and goodwill and the plaintiff cannot claim monopoly in an ordinary dictionary word or any misspelling thereof. It was further contended that the plaintiff never intended to be in chocolates or confectionery business and the main business of the plaintiff was dyes and chemical. It was further averred that the business relating to food articles is merely ancillary and primarily confined extruded if it is falling in the category of "Namkin" or "Papads" and, therefore, it was alleged that the plaintiff has filed a fraudulent and frivolous suit to deliberately and purposely harass and defame and defendant's goodwill and denied that trademark of the defendant is similar to the plaintiff's label mark. It was contended that both the labels are different and distinct from each other. It was further contended that PICNIC or PIKNIK is ordinary dictionary word and ordinary dictionary word cannot be registered as a trademark. The defendant, therefore, contended that the plaintiff is not entitled to any relief and prayed for dismissing the application.

5. The learned trial Judge, after considering the submissions advanced by learned advocates for both the parties and after appreciating the documents produced before him and on the facts emerging from the record of the case so also considering the case law relied upon by the learned advocates for both the sides, has allowed the application No.6, notice of motion, by granting injunction as prayed for in favour of the plaintiff by holding that the plaintiff's trade mark is registered, the plaintiff has a *prima facie* case and balance of convenience also tilted in favour of the plaintiff and if the injunction as prayed for is not granted the plaintiff is likely to suffer irreparable loss and its reputation

and resultantly the learned trial Judge has restrained the defendant by issuing temporary injunction from using the plaintiff's trade mark in relation to the chocolate, chocolate preparations, etc., so that there may not be any infringement to the plaintiff's trade mark "PIKNIK" and also restrained the defendant from passing off the defendant's goods as and for that of the plaintiff. It is this finding and resultant order which is now impugned before this Court at the instance of the defendant.

6. Learned Senior Counsel Mr.Thakore on behalf of the appellant strenuously assailed the order mainly on the following premise:

(i) The word 'PIKNIK' is an exact phonetic equivalent of a common dictionary word 'PICNIC' and therefore it cannot be considered as an invented work. Alternatively, if it is considered as an invented word, the plaintiff on the basis of such invented word, cannot stop the defendant from using a common dictionary word like 'PICNIC' which is otherwise unregisterable and can be used by any person.

(ii) The registration which is granted to the plaintiff is a label containing the word 'PIKNIK' written in a particular manner with a caricature of a little boy above it. Such registration does not prevent any one from using a common dictionary word 'PICNIC' with respect to its goods. Therefore, no infringement would take place since the defendant used the word 'PICNIC' only and not the label registered by the plaintiff and therefore the plaintiff has no *prima facie* case since there was no infringement of its trade mark.

(iii) The defendant has trans-border reputation in not only the mark *per se* 'Cadbury' but also in the mark 'Cadbury Picnic'. In view of the trans-border reputation, there is no scope of passing off since the defendant's sales figures are far excess of the plaintiff's sales figure which clearly establishes that the defendant is not passing off their goods as made by the plaintiff but are effecting sales in view of their reputation as chocolate manufacturers and their goodwill in the mark 'Cadbury'.

(iv) Balance of convenience is tilted in favour of the defendant since the defendant is capable of compensating the plaintiff if the plaintiff succeeds at the trial, whereas the plaintiff is not capable of compensating the defendant for the loss incurred by the defendant on account of continuation of the injunction during pendency

of the suit in case the defendant succeeds.

(v) The defendant has already applied for rectification of the plaintiff's trade mark label containing the word 'PIKNIK'. There are all good reasons to succeed since the plaintiff has never used label containing 'PIKNIK' for the manufacture of chocolate since registration. On this score also plaintiff is not entitled to ad-interim injunction against defendant for action of infringement.

(vi) The plaintiff is not entitled to any ad-interim or interim injunction on the principle of delay, laches or acquiescence as well.

7. On the aforesaid premise, learned Senior Counsel Mr.Thakore contended that the learned Chamber Judge has overlooked all the above aspects and committed serious error both of law and facts and misdirected himself about the crucial question on the basis of phonetic similarity between the two words which, according to the learned trial Judge, is likely to create confusion in the mind of buyers but in reality it is not so and on the basis of the aforesaid finding, the learned Chamber Judge has recorded erroneous finding with respect to *prima facie* case, balance of convenience and irreparable injury in favour of the plaintiff contrary to the settled canons of law and, therefore, the order recorded by the learned Chamber Judge is bad in law and, therefore, it is liable to be quashed and set aside by allowing this appeal and thereby vacating the injunction granted by the learned Chamber Judge by dismissing the application notice of motion.

8. In counter submissions, learned Senior Advocate Mr.S.B. Vakil for the respondent while supporting the impugned order throughout has repelled all the aforesaid contentions raised by the learned Senior Counsel Mr.Thakore for the appellant and submitted as under:

(i) The word 'PIKNIK' is an invented word. The word 'PICNIC' may be a common word but not the word 'PIKNIK'. Since the word 'PIKNIK' is registered, the plaintiff has a proprietary right over the same, therefore, infringement action will lie.

(ii) Registration of plaintiff's trade mark has become conclusive in view of expiry of statutory period of seven years from the date of registration and therefore it should be considered as a valid one.

(iii) Goods and labels of the defendant are different is no ground to escape action of infringement since action of infringement is a statutory remedy available in favour of proprietor of registered trade mark.

(iv) Trans-border reputation of the defendant's product cannot give way to Indian law of trade mark.

(v) Since in an action of infringement there is a recurring cause of action, the principle of delay cannot be invoked as it is not fatal in an action of infringement. Same is the position with laches and acquiescence. The suit is filed by the plaintiff in a period of ten months after serving the seizure and desist notice to the defendant and the said period cannot be construed as delay, laches or acquiescence.

(vi) Pendency of rectification petition is no ground to refuse injunction and on the basis thereof, defendant cannot claim equity in an action of infringement of registered trade mark.

(vii) The submission about the registered trade mark 'PIKNIK' is invalid since it is contrary to Section 9 of the Trade Mark Act is not correct as it is not open to challenge for any party once trade mark is registered. The work 'PIKNIK' is the essential feature of the plaintiff's trade mark, therefore, anyone who uses the said trade mark is liable for action of infringement under the law.

9. On the aforesaid premise, learned Senior Advocate Mr.Vakil has contended that the impugned order is just and proper and in accordance with law which does not require any interference at the hands of this Court. Since the finding and the resultant order recorded by the learned Chamber Judge is not perverse, arbitrary, unjust or unreasonable, this Appeal from Order is liable to be dismissed having no merits in it by affirming the impugned order.

10. Before examining the rival contentions of both the parties, let us highlight the undisputed aspects of the case which are incapable of being disputed.

(i) Plaintiff company is dealing in the business of processing food products and in January 1989, they got registered their trade mark in the name and style of label mark having a caricature of a little boy above it with word 'PIKNIK' in Class 29, 30 & 32 respectively. They are, therefore, the registered proprietor of the

said trade mark of label mark having a caricature of a boy with word 'PIKNIK'.

(ii) Defendant marketed Cadbury Picnic chocolate in February 1998.

(iii) Plaintiff served notice on the defendant on 16.3.1998 alleging action of infringement of their trade mark by the defendant.

(iv) Defendant gives reply to the said notice refuting charge of infringement and passing off on 7.4.1998.

(v) From 7.4.1998 to 10.2.1999, plaintiff takes no action and allow defendant to market their products.

(vi) During the interregnum period, defendant incurred sales promotional expenditure i.e. selling cost of Rs.6.75 crores on the total sales of Rs.18 crores.

(vii) Plaintiff issues fresh notice dated 10.2.1999.

(viii) Plaintiff filed suit on 18.2.1999 i.e. almost after ten months after the defendant has started its business of manufacturing chocolate in the name of Cadbury Picnic.

(ix) Defendant has not so far started manufacturing of chocolate though the trade mark is registered in Class 30.

(x) Products of the plaintiff and the defendant are different. At present, plaintiff is marketing under trade mark of label mark with the word 'PIKNIK' potato chips, wafers etc. whereas defendant is manufacturing and marketing chocolate in the name of Cadbury Picnic. The said mark is unregistered.

(xi) Plaintiff registered their trade mark Cadbury Picnic as back as in 1977 in the name and style of Cadbury Picnic which was lapsed in 1984. Thereafter, again they applied for registration of the said trade mark Cadbury Picnic in the year August 1996. The said application is still awaiting its final decision.

(xii) Rectification application filed by the defendant against the plaintiff seeking rectification of their trade mark having label with a caricature of a boy and the word PIKNIK is still awaiting its final decision before the Hon'ble High Court of Bombay.

11. First contention of learned Senior Advocate Mr. Thakore is that the word PIKNIK which is an exact phonetic equivalent of a common dictionary word like picnic is unregisterable. The word PIKNIK is an exact phonetic equivalent of a common dictionary word and, therefore, cannot be considered as an invented word. Alternatively he has submitted that if the word PIKNIK is considered as an invented word, the plaintiff, on the basis of such invented word, cannot stop the defendant from using a common dictionary word like PICNIC, which is otherwise unregisterable and can be used by any person.

11.1. To bring home the aforesaid submissions, Mr. Thakore has placed reliance on the decision in the case of Electrix & Electrics, reported in 1959 RPC 283, wherein the House of Lords has held that a word not being an invented word, ought not to be put on the Register if the spelling is phonetic and resembles in sound a word which in its proper spelling could not be put on the Register. The question before the House of Lords was with respect to the similarity of words Electrix and Electrics.

11.2. Mr. Thakore has also placed reliance on the judgment of the Bombay High Court in the case of Mrs. Anneliese Huckmann v. Registrar of Trade Marks, AIR 1962 Bombay 88. In that case the Bombay High Court has held that the word 'Patentex' is neither an invented word nor a coined word and as such it is not registerable. A word would not be invented which with some trifling addition or very trifling variation, still leaves the word one which is well known or in ordinary use. In that judgment, the Bombay High Court has held that there is so much resemblance between the word 'patentex' and the word "patended".

11.3. Relying upon the aforesaid two decisions, it was contended by Mr. Thakore that the word which is unregisterable is registered by the Registrar of Trade Marks which is a common dictionary word and hence cannot claim to be an invented word and on the basis of that word, action of infringement cannot lie against the use of the similar word either by a trader or manufacturer.

12. Learned advocate Mr. S.B. Vakil has contended that PIKNIK is an invented word and once the word is registered, the said contention is not open for the defendant against the action of infringement. He further contended that the registration of the plaintiff's mark has become conclusive in view of the expiration of seven years from the date of registration and should be

considered as a valid one. He further contended that the said registration is not contrary to the provisions of Section 9 of the Act. He then contended that the aforesaid two decisions relied upon by learned advocate Mr. Thakore is of no avail or assistance to the defendant as both the decisions are irrelevant to the facts of the case. In both the aforesaid decisions, question of cancellation of registration of trade mark was before the House of Lords and the Bombay High Court, by way of appeal. Here that is not the question. This Court is not deciding the validity of the registration of Trade Mark PIKNIK registered in favour of the plaintiff. He further contended that so far as the instant case is concerned, the plaintiff has to establish the mark used by the defendant is deceptively similar to the plaintiff's mark or not. The plaintiff has used the mark PIKNIK while defendant has started using the mark PICNIC and both the marks are deceptively and phonetically similar. Therefore, the word PIKNIK is the essential feature of the mark.

12.1. In support of the aforesaid contention, Mr. Vakil has placed reliance on the decision of the Honourable Apex Court in the case of Corn Products v. Shangrila Food Products, AIR 1960 SC 142, wherein the Honourable Supreme Court has held that the question whether the two marks are likely to give rise to confusion or not is a question of first impression. It is for the court to decide that question. English cases proceeding on the English way of pronouncing an English word by English Men, which is not always the same, may not be of much assistance in our country in deciding questions of phonetic similarity. It is well recognized that in deciding a question of similarity between two marks, the marks have to be considered as a whole.

12.2. He then placed reliance on another decision of the Honourable Supreme Court in the case of Amritdhara Pharmacy v. Satya Deo Gupta, AIR 1962 SC 449. The Honourable Supreme Court in that case has held that to a man of average intelligence the overall structure and phonetic similarity of two names 'Amritdhara' and 'Lakshmandhara' was likely to deceive or cause confusion.

12.3. He also pressed into service the decision of the Honourable Apex Court in the case of K.R. Chinna Krishna Chettiar v. Sri Ambal and Co., AIR 1970 SC 146, wherein it was held that there was a striking similarity and affinity of sound between the words "Ambal" and "Andal" and it could cause real danger and confusion between the two marks.

12.4. Lastly Mr. Vakil relied upon the decision of this Court in the case of Rupa & Co. v. Dawn Mills Co. Ltd., AIR 1998 Gujarat 247. In that case, this Court had an occasion to deal with the meaning of 'deceptively similar' as defined in Section 2 (d) of the Act which postulates that a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

13. From the aforesaid decision relied upon by learned advocate Mr. Vakil, there cannot be two opinion that the Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Every case must depend upon its own peculiar facts and value of the validity lies in not actual decision in determining what is likely to deceive or cause confusion.

14. It is true that so far as the judgments relied upon by learned advocate Mr. Thakore are concerned, the legality and validity of the trade mark either by way of appeal or by way of petition was challenged on the ground that the trade mark claimed by the claimants was not an invented word whereas in the instant case the question is as to whether trade mark claimed by the plaintiff is an invented word or an ordinary word found in the dictionary which can be allowed to be used by the defendant as well.

15. It is equally true that the defendant had intended to use the trade mark PICNIC as back as in 1977 and has been using the said mark all over the world. When the defendant had applied for the trade mark PICNIC, the trade mark registry specifically observed that PICNIC is not adapted to distinguish and that cadbury will not be entitled to exclusive use of the word picnic per se.

16. Relying upon the aforesaid undisputed facts, learned advocate Mr. Thakore contended that the plaintiff also could not have obtained registration of the word mark 'PIKNIK' and hence sought only registration of label containing the word PIKNIK written in a particular script with a caricature of a little boy above it. It is this label which has been registered by the Registrar of Trade Marks and action of infringement would lie only if the defendant uses the said label. The defendant is not using the said label of the plaintiff but using the word PICNIC prefixing the word Cadbury. Therefore, there is no question of infringement qua the label of the plaintiff.

17. Learned advocate Mr. Vakil has contended that

the label mark is registered and, therefore, question of infringement does not arise is a misconceived submission. He further submitted that since the essential feature of the label mark is PIKNIK any part of that label used by defendant is violative of the trade mark registered by the plaintiff and, therefore, infringement action would lie against any person who uses any part of that label mark and since the defendant is using the word PICNIC though with different spelling phonetically both words are equivalent and, therefore, action of infringement would definitely lie against the defendant.

18. There cannot be two opinion with regard to the proposition of law that while comparing mark essential feature must be seen and so far as the plaintiff's trade mark is concerned, the word PIKNIK cannot be called essential feature. It is the script of a word along with a caricature of a little boy which is the essential feature of the trade mark and, therefore, the plaintiff cannot place reliance on the mere word PIKNIK and claim infringement. In the case of Corn Products (supra), which is relied upon by learned advocate Mr. Vakil, the Honourable Supreme Court has held that it is well recognized that in deciding a question of similarity between two marks, the marks have to be considered as a whole.

19. In the case of an exclusive trade mark, the same must consist of some arbitrary or fanciful term, figure, or device, and words or phrases, in order to constitute a trade mark, must be used in a purely arbitrary or fanciful when they do not by their usual and ordinary meaning, denote or describe products to which they are applied, but rather come to indicate their purposes by application and association. In other words, the principle or settled rule would be that either in the case of goods or business the plaintiff has to show that his mark has become so distinctive that the public regard the same as belonging to a particular source. The plaintiff has to further prove that the offending mark or name is likely or calculated to deceive and cause confusion among the public thereby injuring the plaintiff's business. The test in this regard necessarily would be of a normal prudent person as to whether the defendant is selling the goods so marked as by design or calculated the public to believe that they are the goods of the plaintiff.

20. The plaintiff's trade mark is a label having script PIKNIK with caricature of a little boy above it and it is marketing the goods i.e., potato chips and

potato wafers in a polythene pouch. The plaintiff has registered the trade mark under class 30 and chocolates are also included under the said class. Defendant is marketing Cadbury chocolates under the trade label Cadbury's PICNIC and marketing the same in polythene pouch. It is, therefore, clear that both the articles are different. It is also equally true that the defendant is not using their label, that is, having a caricature of a little boy. Therefore, there is absolutely no similarity in product, label and the pouch of plaintiff and defendant which is likely to deceive or cause confusion in the mind of common buyer. Therefore, no action of infringement of the plaintiff's Trade Mark is committed by the defendant.

21. Learned advocate Mr. Vakil has contended that identity of the goods has absolutely no relevance and in support of his submission he has placed reliance on various judgments to show that despite different products injunction was granted. Mr. Vakil has pressed into service judgment of the Allahabad High Court in the case of Bata India Limited v. M/s. Pyare Lal & Co., AIR 1985 Allahabad 242. In that case Bata Company has filed suit for permanent injunction against the company using mark 'Batafoam' because use of word 'Bata' in 'Batafoam' could cause deception in mind of ordinary customer and, therefore, injury to 'Bata' company also would be caused and, therefore, interim injunction was granted in favour of Bata company in that case.

21.1. Reliance was also placed upon the judgment of the Delhi High Court in the case of Daimler Benz Aktiegesellschaft and another v. Hybo Hindustan, reported in AIR 1994 Delhi 239. In that case it was held by the Delhi High Court that the trade mark namely three pointed star in circle/ring and word 'Benz' is associated with name of world famous car 'Mercedes Benz'. The defendant was using word 'Benz' and three pointed Human Being in a ring, on undergarments. In that case the Delhi High Court has held that it amounts to infringement even though the products are different.

22. The aforesaid submissions and the judgments relied upon by learned advocate Mr. Vakil have been seriously assailed by learned advocate Mr. Thakore. According to him, the judgments relied upon by learned advocate Mr. Vakil are clearly distinguishable on following three counts:

(i) Firstly the said judgments relied upon by Mr. Vakil are of very renowned mark and therefore anybody

copying such mark even for a different product is likely to create an impression that the product has relation to such renowned mark or is being manufactured by the person owning such renowned mark. Bata, Mercedes, Kirloskar, Kodak, Cibaca are some of such renowned marks. He submitted that PIKNIK or S.M. Dyechem cannot be compared with Mercedes, Bata, etc.

(ii) Secondly the judgments relied upon by Mr. Vakil are in connection with either identical goods or closely connected goods or common field of activity.

(iii) Thirdly, in absence of renowned marks or common field of activity no injunction can be granted when the products are different. The judgments relied upon by Mr. Vakil have absolutely no relevance in the present case when the label of the plaintiff is not renowned. Therefore, according to Mr. Thakore, the judgments relied upon by Mr. Vakil have absolutely no relevance in the present case as the label of the plaintiff is not renowned.

23. On having perusal upon the judgment in the case of Bata India Limited (supra), it was observed by the High Court of Allahabad that the name of 'Bata' was registered under the Trade Marks Act, 1940 in respect of canvas, rubber, leather shoes, rubber footwear, rubber soles, rubber heels and leather soles, etc. It was well established that the word "Bata" was a word known all over the country and was in use even prior to 1940. The word "Bata" was a fancy name inasmuch as the word was not associated with any Indian name, place, object or term. 'Bata' was the surname of a foreigner of central Europe who started his business in India making shoes and rubber products. The word 'Bata' was associated with his name. The defendants named their product as 'Batafoam' the spelling of 'Bata' being the same as used by the plaintiff Company. Therefore, it was held that the plaintiff had made out a case for issuance of an interim order of injunction in respect of the user of the name "Bata" to any of their products by the defendants.

24. Now, having a look upon the judgment of the Delhi High Court in the case of Daimler Benz Aktiegesellschaft (supra) wherein the Delhi High Court has held that there are names and marks which have become household words. 'Benz' as name of a car would be known to every family that has ever used a quality car. The name 'Benz' as applied to a car, has a unique place in the world. There is hardly one who is conscious of existence of the cars/automobiles who would not recognize the name 'Benz'

used in connection with cars.

25. There is much substance and force in the submission of Mr. Thakore that the judgments relied upon by Mr. Vakil are of company having renowned reputation and the mark if it is used by someone would definitely create an impression in the mind of the buyer that the particular article belongs to that company. So far as the instant case is concerned, S.M. Dyechem Limited has not acquired that much reputation in the country and it is using only the trade label PIKNIK, which is a misspelling of the dictionary word PICNIC.

26. Relying upon the judgment in the case of Rupa & Company (supra) it was submitted by Mr. Vakil that there is a phonetic similarity between PIKNIK and PICNIC and mere fact that plaintiff's registered mark is a label will make no difference and, therefore, the ratio laid down in the said judgment is applicable to the present case also. In view of the aforesaid judgment, action of infringement would definitely lie against the respondent. It is true that there is phonetic similarity. But the word PIKNIK is a misspelling of a common dictionary word PICNIC and hence does not entitle the plaintiff any proprietary right over the said trade mark. The said judgment relied upon by learned advocate Mr. Vakil is clearly distinguishable on following score:

(i) Firstly, in the said judgment, the registered trade mark was depicting the figure of sun at dawn with prominently displayed word 'dawn' and subsidiary word hosiery beneath and the word mark 'dawn hosiery' per se while there is no word mark registered in the instant case.

(ii) Secondly, the word 'dawn' has absolutely no reference to the character and quality of the goods which are under-garments while picnic/piknik has direct reference to the character and quality of the goods namely packed foods which can be taken for a picnic and hence an unregistered word over which nobody can have a proprietary right.

(iii) Thirdly, the user by Dawn Mills Company Limited is over 40 years with very good reputation in the manufacture of hosiery while in the instant case the user is for a very few years and the reputation is not of similar nature.

(iv) Fourthly, in the said case the products of the defendant and the plaintiff are identical. Both Dawn and

Rupa were manufacturing hosiery. Therefore, there was very good chance of confusion and deception. In the instant case the two products are distinct and there is no scope of confusion and deception. On the aforesaid premise, the judgments relied upon by Mr. Vakil in the case of Rupa & Company (supra) would not apply to the facts of the present case and it is of no avail or assistance to the plaintiff's case to justify the action of infringement.

27. As already pointed out above and rementioned at the risk of repetition that one has firstly to see whether phonetically the words are similarly used and whether it could mislead a common person or not? The leading case on the subject available is the decision of the Honourable Supreme Court in the case of J.R. Kapoor v. Micronix India, 1994 Supp (3) SCC 215. In respect of certain electrical and electronic apparatus the trade marks used were Microtel and Micronix. In a suit filed under the Trade and Merchandise Marks Act, 1958, a similar question cropped up. The appellant before the Honourable Supreme Court was one of the partners of M/s. Micronix India. Another business was started under the name and style of M/s. Microtelmatrix with the trade name Microtel. The Honourable Supreme Court held that the word Micro was descriptive and otherwise it does not mislead the other person. The findings of the Supreme Court are as under:-

".....Further, the word 'micro' being descriptive of the micro technology used for production of many electronic goods which daily come to the market, no one can claim monopoly over the use of the said word. Anyone producing any product with the use of micro-chip technology would be justified in using the said word as a prefix to his trade name. What is further, those who are familiar with the use of electronic goods know fully well and are not likely to be misguided or confused merely by the prefix 'micro' in the trade name. Once, therefore, it is held that the word 'micro' is a common or general name descriptive of the products which are sold or of the technology by which the products are manufactured, and the user of such products are, therefore, not likely to be misguided or confused by the said word, the only question which has to be *prima facie* decided at this stage is whether the words "tel" and "nix" in the trade names of the appellant and the respondent are deceptive for the buyers and users

and are likely to misguide or confuse them in purchasing one for the other. According to us, phonetically the words being totally dissimilar are not going to create any such confusion in the mind of the user...."

28. Similarly, reliance can also be placed on a decision of the Madras High Court in the case of Parle Products Limited v. Bakemans Industries Limited, 1998 Patent and Trademarks Cases, 662 (Madras) wherein similar question was called for determination. In that case the applicant was a registered proprietor of the trademark GLUCO. The respondent was selling biscuits under the mark GLUCO GOLD. Madras High Court considered this controversy and held that the packets were different and the products were also not similar. It is not likely to mislead an ordinary person. Merely because GLUCO word was common was not enough for the grant of ad interim relief.

28.1. Similar question arose before the High Court of Punjab & Haryana in the case of Punjab State Co-operative Supply and Marketing Federation Limited v. Sona Spices Private Limited, 1987 Patents and Trademarks Cases 294 (Punjab & Haryana). In that case Punjab & Haryana High Court has refused the injunction as claimed for as there was no similarity to deceive an ordinary customer in the words 'Sohna' and 'Sona Spices'.

28.2. Similar view was taken by the Madras High Court in the case of Indo-Pharma Pharmaceuticals Works Limited v. Citadel Fine Pharmaceuticals Limited, AIR 1998 Madras 347 = 1998 Patents and Trade Marks Cases 775. In that case the appellant had filed the suit for injunction restraining the respondents from infringing its registered trademark 'ENERJASE'. The other company was using the name of "ENERJEX". The Court held that no person can claim exclusive right of descriptive name. Similarly, Delhi High Court in the case of Rupee Gains Tele-Times Pvt. Ltd. v. Rupee Times, 1995 Patents and Trade Marks Cases, 384, held that the word "Rupee" is not distinctive word and it is connected with trade and business.

29. What is the position here? The plaintiff is having trade mark label containing the word PIKNIK written in a particular script with a caricature of a little boy above it. The plaintiff is manufacturing and marketing potato chips and potato wafers in a polythene pouch whereas defendant is not using similar label. The word the defendant is using is Cadbury's PICNIC and they

are manufacturing and marketing chocolate. Therefore, both the products are different. Labels are different. Words are different. Only word used by the plaintiff is PIKNIK whereas the defendant uses the word PICNIC having phonetic similarity. But since both the words are of common dictionary word plaintiff cannot claim exclusive right over the said word.

30. Relying upon the aforesaid observations, if we examine the case then at the cost of repetition I may say that here the plaintiff's label mark is registered with the word PIKNIK and, therefore, PIKNIK cannot be separated from the label mark and on the basis of that word alone the plaintiff cannot claim action against the defendant which uses the common dictionary word PICNIC prefixed by the name of the company 'Cadbury'.

31. Learned advocate Mr. Thakore then contended that the defendant has moved an application for rectification of plaintiff's Trade Mark in the High Court of Bombay on various grounds and there are all fair chances for it to succeed in getting the rectification of the trade mark of the plaintiff and, therefore, since there are fair chances to succeed in that application, on that ground also injunction cannot be granted in favour of the plaintiff. In support of the aforesaid contention, he has placed reliance on the judgment of the Honourable Supreme Court in the case of Vishnudas Trading v. Vazir Sultan Tobacco Co. Ltd., (1997) 4 SCC 201 and contended that if the trader or manufacturer actually trading in or manufacturing only one or some of the articles or goods under a trade mark and has no bona fide intention to trade in or manufacture the other articles or goods falling under that class but has obtained registration of its trade mark under that class which covers several other articles or goods, the registration is liable to be rectified by confirming it to the specific articles or goods which are actually intended to be traded in or manufactured. He further contended that plaintiff is manufacturing and marketing only potato chips and potato wafers whereas they are not manufacturing and marketing chocolate though registration is obtained for that in that very class for the purpose of manufacturing chocolate as well. Therefore, the registration is liable to be rectified qua chocolate.

32. He has also pressed into service the judgment of the High Court of Delhi in the case of R.J. Reynolds Tobacco Company v. I.T.C. Limited, 1987 PTC 57, wherein it was held that keeping in view the facts that the plaintiff company admittedly having not sold any

cigarettes under the trade mark NOW before or even after the registration of the trade mark and the fact that the defendant company has applied for the rectification of the impugned trade mark from the Register and it being not disputed that the design, lettering, lay out, colour scheme and general get up of the packets in which the respondents are marketing its NOW brand cigarettes is entirely different, no serious case of passing off is made out and accordingly in view of the section 111 of the Act, the suit is stayed. As the plaintiff had never used the mark in India, prima facie case has been made out by the defendants for rectification of the register. As regards the question of balance of convenience, the plaintiff having never used the mark in India the question of injury to the reputation does not arise and accordingly the application for grant of injunction is dismissed with directions to maintain and file account in the Court.

33. Relying upon the aforesaid two judgments he further contended and reiterated that the defendant has a very good prima facie case for rectification of the trade mark of the plaintiff since the plaintiff is not manufacturing chocolate and on the basis of the same the plaintiff is not entitled to interim injunction for the action of infringement against the defendant.

34. Learned advocate Mr. Vakil has assailed the aforesaid submission by relying upon the pronouncement of the Honourable Supreme Court in the case of Tube Investments of India Limited v. Trade Industries, (1997) 6 SCC 35. In that case the Honourable Supreme Court has held that the mark used by the respondent prima facie is similar to the mark used by the appellant. The appellant's right in respect of its trade mark is violated and, therefore, interim relief restraining the defendant from using trade mark should be issued.

35. It is true that as per the say of the defendant, rectification petition has already been launched against the plaintiff company and the plaintiff is not manufacturing and marketing chocolate for which they have obtained registration under class 30. In the case of Vishnudas Trading (supra), the issue before the Honourable Supreme Court was of rectification of the trade mark on the ground that no evidence showing that the defendant intended or intending to manufacture any other product of tobacco and, therefore, rectification was granted by the Apex Court. So far as the rectification petition filed by the present defendant against the plaintiff is concerned, it is pending before

the Bombay High Court and evidence is yet to be led and, therefore, whether plaintiff intended or intending to manufacture chocolate is a subject matter of leading evidence and without leading evidence it is very difficult to jump to any conclusion. Therefore, I do not deem it expedient to express any opinion about the rectification petition which is pending and on that score whether defendant can claim that plaintiff is not entitled to injunction against the defendant.

36. It was also submitted by learned advocate Mr. Thakore that the plaintiff is not entitled to any ad-interim or interim injunction on the principle of delay, latches and acquiescence. Relying upon the important events which I have adverted in the foregoing paragraphs in respect of undisputed aspects, he contended that since after expiry of ten months of the notice, suit was filed and meantime, during that ten months' period, that is from 7.4.1998 to 18.2.1999, the plaintiff took no action and allowed the defendant to market their product and establish a market with substantial sales to the tune of Rs.18 crores and incurred sales promotional expenditure by way of advertisement of Rs.6.75 crores approximately. It clearly tantamounts to delay, latches and acquiescence on the part of the plaintiff. In support of the aforesaid contention, learned advocate Mr. Thakore has placed reliance on the judgments of the Honourable Supreme Court in the case of -

- (i) M/s. Power Control Appliances v. Sumeet Machines Pvt. Ltd., (1994) 2 SCC 448,
- (ii) Wander Limited v. Antox India P. Ltd., 1990 (Supp) SCC 727 and
- (iii) American Cyanamid v. Ethicon, 1975 (1) All England Law Reports, 504.

36.1. Relying upon the aforesaid three decisions, it was contended by Mr. Thakore that no injunction should be granted to the plaintiff when the defendant has already been marketing its product since February 1998. According to him, granting of injunction would result in serious damage to the defendant as the defendant will perforce be required to adopt a new mark and again spend huge sum of money on advertisement and promotion of the product with such new mark while the plaintiff can be well compensated in the form of damages in the event the plaintiff succeeds.

37. In reply to the aforesaid submission, learned advocate Mr. Vakil has contended that delay is not fatal in infringement case as there is recurring cause of

action. I do not deem it expedient to answer the aforesaid question canvassed by Mr. Thakore for the reason that I have already discussed in earlier paragraphs of this judgment that the word PIKNIK is not an invented word and, therefore, no infringement action would lie.

38. Now this takes me to the last question of passing off the goods of the defendant as and for that of the plaintiff. It is well settled proposition of law that the action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another. But that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of 'the exclusive right to the use of the trade mark in relation to those goods'. The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable initiation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade original different from that of the registered proprietor of the mark would be immaterial, whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff (see Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, AIR 1965 SC 980.

39. Keeping in forefront the aforesaid principle if

we examine the case on hand then there cannot be any two opinion about the trans-border reputation not only in the word mark per se 'Cadbury' but also in the mark 'Cadbury picnic'. Cadbury is a household name in India and has been marketing chocolate since 1948. The word cadbury is synonymous with the word chocolate in India and on all of its products cadbury uses the same lettering on the top along with the name of the products like 'Cadbury Dairy milk', 'Cadbury Five Star' and 'Cadbury Picnic'. Cadbury products are bought not on the basis of the name given to the product but because of the reputation of Cadbury. In these circumstances, there is absolutely no scope of any deception or confusion or passing off. The products of the defendant and the plaintiff are distinct and there is also no scope of passing off because the defendant's products are bought because of the defendant's reputation as cadbury. In the instant case, even the labels of the defendant and the plaintiff are different and distinctive and there is no scope of confusion and deception in the mind of an average buyer. In view of the aforesaid discussion, there is no scope of passing off the defendant's goods as and for that of the plaintiff.

40. In view of the discussion made in the foregoing paragraphs, following aspects are high-lighted:

- (i) Plaintiff's trade mark having a label containing the word 'PIKNIK' written in a particular script and manner with a caricature of a little boy above it though registered having a phonetic similarity to the word found in dictionary word picnic.
- (ii) The word PIKNIK on that label is neither invented nor a distinctive word and it is also not an essential feature of the plaintiff's trade mark which is a label. Therefore, no action for infringement against the defendant can lie.
- (iii) Since registration which is granted to the plaintiff is a label mark such registration does not prevent any one from using the dictionary word Picnic with respect to its goods and therefore also no action of infringement would take place.
- (iv) The articles manufactured and marketed by both the plaintiff and defendant are different and therefore also no action of infringement would arise.
- (v) So far as passing off is concerned, both the products are different, labels are different and, therefore, no scope of confusion or deception in the mind

of common buyer. Therefore, there is no scope of passing off the goods of the defendant as and for that of the plaintiff.

(vi) Since there is no infringement, there is no *prima facie* case.

(vii) In view of the new formula elucidated in the case of American Cyanamid (*supra*) balance of convenience is tilted in favour of the defendant. If it appears that the damages awarded at the trial will adequately compensate the plaintiff and the defendant is likely to be able to pay, then, interlocutory relief should not normally be granted. Applying this principle to the present case it appears to me that to grant an injunction will be to cut off for good the road to commercial success of a business competitor. In the event of the plaintiff's success damages will be an adequate remedy. The defendant's financial position to pay damages has not been questioned before me and they are prepared to give an undertaking. Therefore, the balance of convenience lies in favour of refusing the interlocutory relief that is sought.

41. Since I am of the opinion in view of the discussion made hereinabove, that there is no infringement action of the trade mark of the plaintiff and no question of passing off the goods of the defendant as and for that of the plaintiff and on the facts and in the circumstances of the case no other conclusion can be arrived at except the one reached by me, plaintiff is not entitled to discretionary remedy of injunction. Seen in the above context, the conclusion arrived at by the learned trial Judge is erroneous which is required to be quashed and set aside by refusing injunction as prayed for by the plaintiff.

42. It will be undesirable to comment more fully on the merits of the application. In an Appeal from Order against an order recorded in notice of motion on the whole, the less said about the merits of the case is better. It is however, made clear that the findings arrived at by me about the action of infringement and passing off are of tentative nature and will be subject to findings that may be arrived at by the learned trial Judge in the suit after the evidence is led. Therefore, it is desirable that the defendant is directed to keep the accounts of all the sales it makes of the impugned products and it shall submit the same every six months in the lower Court and it will also give an undertaking before the lower Court that it will pay damages to the

plaintiff if the plaintiff succeeds ultimately.

43. In the net result, the appeal succeeds and accordingly it is allowed, however, with no order as to costs. Resultantly, the order recorded by the learned trial Judge below notice of motion granting injunction in favour of the plaintiff is quashed and set aside by dismissing the notice of motion application and thereby refused to grant injunction as prayed for and hence there shall be no injunction against the defendant.

43.1. So far as Civil Application No. 4743 of 1999 which has been filed by plaintiff for relief of restraining the defendant from publishing as well as causing to publish any advertisement in any manner by making use of the impugned trademark PICNIC is concerned, it is rejected. Notice is discharged.

43.2. Civil Application No. 7428 of 1999 taken out by defendant for producing evidence listed at Annexure A does not survive and hence it is disposed of.

43.3. No order as to costs in both the Civil Applications.

(karan)